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C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 000205

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STATE FOR P, ISN, EUR/ERA, EEB, AND NEA/IRAN

E.O. 12958: DECL: 02/12/2019  
TAGS: [PREL](#) [KNNC](#) [ETTC](#) [ETRD](#) [EFIN](#) [IR](#) [EUN](#)  
SUBJECT: IRAN: FEBRUARY 6 EU DEBATE ON SANCTIONS AND U.S.  
POLICY

REF: BRUSSELS 174

Classified By: Chris Davis, USEU Polmincouns for reasons 1.5(d) and (e)

1. (C/NF) SUMMARY AND COMMENT: On February 6, EU Political and Security Council Ambassadors debated next steps on Iran policy. Council Secretariat DirGen Robert Cooper briefed the EU-27 on the P5 1 meeting earlier in the week. Given U.S. reaffirmation of the dual-track policy and the fact of the P5 1 consultation, Cooper believed new U.S. policy would not be completely reinvented from scratch. He encouraged member states to prepare to act to further reinforce the dual-track approach. While the PSC viewed positively the U.S. willingness to engage directly with Iran, some believed US engagement could lead to an Iranian perception of the U.S. "good cop" to the EU's "bad cop." Smaller EU member states opposed moving forward on new EU autonomous designations of Iranian entities and individuals until the U.S. completed its policy review and made its sanctions policy known to the EU-27. Neither Cooper nor EU-3 members (UK, GR, FR) pushed back on this point.

2. (C/NF) Privately, several member state contacts have relayed concerns to Poloff about the difficulty of gaining EU-wide consensus for EU action on existing sanctions (such as new designations under relevant UNSCRs) in the absence of a clear signal of interest from the USG to the EU-27 to do so. Based on our informal soundings in EU corridors, there remains strong support for information-sharing on sanctions (including recent U.S. designations). The Czechs have also told us that they would be interested in placing Iran on the agenda of the March 16 GAERC or, more likely, March 27-28 Gymnich should the U.S. policy review be completed by late March. END SUMMARY AND COMMENT.

P5 1 Debrief

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3. (C) On February 9 and 10, three friendly EU member states provided detailed read-outs of the February 6 EU-27 Political and Security Council (PSC) Ambassadors debate on Iran policy. Topics included the P5 1 consultation, the U.S. policy review process, and Iranian proliferation-related and political developments. Robert Cooper, Council Secretariat Director General (and Deputy to High Rep Solana on Iran nuclear negotiations) briefed the PSC on P5 1 consultations held in Wiesbaden, Germany February 3-4. Cooper indicated that the participation of U/S Bill Burns in the meeting signaled U.S. interest in continuing the P5 1 process and the double track policy. Consequently, Cooper said he believed the U.S. Administration's policy review on Iran would not lead to an entirely new USG policy. U.S. thinking seemed to be heading toward a "bigger carrot, bigger stick" approach, which would mean a real dialogue with Iran with the possibility of real pressure. Cooper thought the U.S. would be using the existing framework and that they would want to see others invest more in this framework, including

especially Russia and China.

4.(C) In response to questions from Italy and the Netherlands, Cooper noted that for China and Russia, the question of how far and fast we go on each track was still problematic. Russia seemed not to have changed its attitude, whereas China seemed to be taking into account a change in the U.S. approach. Cooper also stressed the importance of the fact that Iran's neighbors in the Gulf were uncomfortable about Iran's evolution.

#### An "Important" Year

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15. (C) Cooper also updated member states on developments in Iran's nuclear program. The next IAEA report was due on February 20 and it should state that Iran's production of low enriched uranium had currently reached 700 kg (500 kg before the end of December 2008). Iran seemed, therefore, to be enriching at a very quick pace. Cooper pointed out that Russia and China expressed diverging views from other members of the P5 1 on the military aspects of the Iranian program. In any case, the level of cooperation between Iran and the IAEA had reached a new low; e.g., Iran had stopped answering inquiries and was refusing access to certain sites. These developments, taken together with the new U.S. administration and upcoming Iranian elections made it an "important year" for Iran. Cooper pointed out that while Iranian elections were important, they should not be a reason for the EU to do nothing. While the EU's preference for sanctions within the UN framework was well-understood, Cooper stressed that the EU should prepare itself to look at other options, such as strengthening its own (autonomous) sanctions. He encouraged

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the Council to be in a "state of readiness to act."

#### U.S. Policy Review: The Impact of Timing

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16. (C/NF) Cooper told EU-27 member states that the U.S. policy review would take "a couple of months" and he did not expect the EU to move much until the U.S. review was completed. Several smaller EU member states opposed moving forward on new EU autonomous designations of Iranian entities and individuals until the U.S. completed its policy review and made its sanctions policy known to the EU-27. None of the EU-3 states (UK, GR, FR) pushed back on this point. On February 11, the UK PSC delegation maintained to us privately that the FCO was taking the position that there would be no further EU moves on sanctions during the U.S. policy review. On February 10, a French contact told us he was surprised by Cooper's comment on the U.S. review timeline. France had understood that the review process would take four to six weeks -- shorter than Cooper's indication to the EU. A Dutch and French colleagues agreed that the difference of even a few weeks could be significant as it would affect the Czech Presidency decision (and EU member states' support for) a Ministerial debate in March.

#### EU Members' Concerns

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7.(C) Many member states, including Germany, the UK, and France, stressed what they agree is the positive fact of U.S. willingness to engage directly with Iran. On the other hand, some member states, including Germany, France, the UK and Portugal, recognized that the EU could be perceived as the bad cop and the USG as the good cop. In this sense, France noted the risk that the new positive U.S. approach could be used by Iran against the EU. It was incumbent upon the EU, therefore, to stress the dual character of its approach. The UK also spoke of the need for a "symmetric" dual track. Germany underscored the importance of showing EU willingness to envisage further sanctions. Cooper disputed the over-simplified "good cop" portrayal of the United States, pointing out that the USG had no relations with Iran at all. Furthermore, it was possible for the USG to engage Iran without necessarily playing "the good cop" role. Sweden and

the Netherlands highlighted the need to discuss Iran in a wider context, including Afghanistan (Sweden) and MEPP (Netherlands). Denmark wondered aloud about the state of play concerning the "freeze for freeze" initiative. The EU-3, Italy, and Hungary underlined the urgency of the Iranian issue throughout the discussion.

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